



## FIRST THINGS FIRST

*The right system for bright futures*

4/14/2010

The Legislature has set the end of April to end the 49<sup>th</sup> Legislature, Second Regular Session.

HCR 2001/SCR 1001 Early Childhood Development; Health; Repeal passed during the 7<sup>th</sup> Special Session of the 49<sup>th</sup> Legislature. This measure places, on the November 2010 ballot, a repeal of the Early Childhood Development and Health Board (also known as First Things First) and its related Regional Councils. Any unexpended monies accumulated by First Things First would be transferred to the General Fund. The 80¢ tobacco tax would be continued and deposited in the General Fund, and would be separately accounted for and may be appropriated for health and human services for children. However, there is no language as a protection that these will be new dollars or additional dollars.

In addition, there are a couple of items that also passed during the 7<sup>th</sup> Special Session that don't affect the agency, but could affect staff. One such item is pay. In addition, as permanent law, the legislature eliminated the statutory language that allowed up to 2.75% of an employees salary to be performance pay available to state agency workers and as session law, required 1 furlough day in FY 2010 and 6 furlough days in FY 2011 and FY 2012. The leadership at First Things First (FTF) has determined that the pay cut does pertain to all FTF employees, many of which receive performance pay. At this point, however, FTF employees will not be required to take furlough days.

FTF has hired Jay Heiler and Veridus AZ to help with efforts to rescind the language of the HCR/SCR passed during the 7<sup>th</sup> Special Session and to substitute language that can be supported by FTF. Meetings have been held with House and Senate leadership and elected members to secure their support. (More information will follow.)

In addition, there are a variety of HCR/SCR's in the pipeline to be voted on by the legislature and sent to the ballot. HCR 2039 Temporary Suspension; Voter Protected Funding and HCR 2041 Funding Measures; Reauthorization are two that we are watching specifically –

The first measure, HCR 2039, would send an initiative to the November ballot to allow the Legislature **by a simple majority vote** to:

- Seize 50% of all fund balances AND new revenues from any voter-protected measure; and,
- Supersede any voter-protected measure.

This would apply for the **next four years** – through fiscal year 2014 – regardless of whether the state’s financial situation improves. Under the Arizona Constitution, it currently takes three-quarters of the Legislature to approve any changes to voter-protected measures.

The second measure, HCR 2041, would send an initiative to the November ballot to place an eight-year limit on any initiative or referendum that authorizes the expenditure of state monies. All current ballot measures that require the expenditure of state monies would go to the 2012 ballot to be re-approved by the voters in order to continue.

A list of bills passed, including those signed by the Governor will be presented at the Board Meeting on Tuesday, April 27. HB 2209—Public Meeting Notices, which is awaiting the Governor’s Signature, has technical public meeting notice implications. This information has been distributed to appropriate parties within FTF.